

## A “Snapshot”

This factsheet provides a snapshot of the most important features of the Social Security, Supplemental Security Income (SSI) and Medicare programs. If you need specific information about any one of these programs, call our toll-free number, **1-800-772-1213**, to ask for other Social Security publications or to speak to a Social Security representative. You also can reach us on the Internet. Type <http://www.ssa.gov> to access Social Security information.

### The Social Security Number

The benefits you'll receive from Social Security will be calculated on the earnings and other information recorded under your Social Security number. So it's important that you always use the proper number. Also, you should make sure the name you use at work is the same as the name shown on your Social Security card. If you ever change your name, you should change the name on your Social Security card, too. Social Security does *not* charge for this service. Even young children have Social Security numbers because parents must show the number on their tax return to claim them as dependents.

### Paying Social Security Taxes

If you work for someone else, your employer withholds Social Security and Medicare taxes from your paycheck, matches that amount, sends those taxes to the Internal Revenue Service (IRS) and reports your earnings to Social Security. If you're self-employed, you pay your own Social Security taxes when you file your tax return, and IRS reports your earnings to Social Security. You pay a rate equal to the combined employee/employer share, but there are special deductions you can take that offset your tax rate.

### Earning Social Security “Credits”

As you work and pay taxes, you earn “credits” that count toward eligibility for future Social Security benefits. You can earn a maximum of four credits each year. Most people need 40 credits (10 years of work) to qualify for benefits. Younger people need fewer credits to qualify for disability or survivors benefits.

### Figuring Social Security Benefits

Your Social Security benefit is a percentage of your earnings averaged over most of your working lifetime. Social Security was never intended to be your only source of income when you retire or become disabled, or your family's only income if you die. It is intended to supplement other income you have through pension plans, savings, investments, etc. Low income workers receive a higher rate of return than those in the upper income brackets, but a worker with average earnings can expect a retirement benefit that represents about 42 percent of his or her average lifetime earnings. To get a free estimate of the retirement, disability and survivors benefits that would be payable to you and your family, call Social Security at **1-800-772-1213**.

### Social Security Benefits

There are five major categories of benefits paid for through your Social Security taxes: retirement, disability, family benefits, survivors and Medicare. (SSI benefits, which are *not* financed by Social Security taxes, are discussed in another section.)

#### *Retirement*

Full benefits are payable at age 65 (with reduced benefits available as early as 62) to anyone with enough Social Security credits. The age at which full benefits are paid will rise in future years. People who delay retirement beyond age 65 receive a special increase in their benefits when they do retire.

#### *Disability*

Benefits are payable at any age to people who have enough Social Security credits and who have a severe physical or mental impairment that is expected to prevent them from doing “substantial” work for a year or more or who have a condition that is expected to result in death. Generally, earnings of \$500 or more per month are considered substantial. The disability program includes incentives to smooth the transition back into the

workforce, including continuation of benefits and health care coverage while a person attempts to work.

### *Family Benefits*

If you are eligible for retirement or disability benefits, other members of your family might receive benefits, too. These include: your spouse if he or she is at least 62 years old or under 62 but caring for a child under age 16; and your children if they are unmarried and under age 18, under 19 but still in school or 18 or older but disabled. If you are divorced, your ex-spouse could be eligible for benefits on your record.

### *Survivors*

When you die, certain members of your family may be eligible for benefits if you earned enough Social Security credits while you were working. The family members include: a widow(er) age 60 or older, 50 or older if disabled or any age if caring for a child under age 16; your children if they are unmarried and under age 18, under 19 but still in school or 18 or older but disabled; and your parents if you were their primary means of support. A special one-time payment of \$255 may be made to your spouse or minor children when you die. If you are divorced, your ex-spouse could be eligible for a widow(er)'s benefit on your record.

### *Medicare*

There are two parts to Medicare: hospital insurance (sometimes called "Part A") and medical insurance (sometimes called "Part B"). Generally, people who are over age 65 and getting Social Security automatically qualify for Medicare. So do people who have been getting disability benefits for two years. Others must file an application. Part A is paid for by a portion of the Social Security tax of people still working. It helps pay for inpatient hospital care, skilled nursing care and other services. Part B is paid for by monthly premiums of those who are enrolled and from general revenues. It helps pay for such items as doctor's fees, outpatient hospital visits, and other medical services and supplies.

## Supplemental Security Income Benefits

SSI makes monthly payments to people who have a low income and few assets. To get SSI, you must be 65 or older or be disabled. Children as well as adults qualify for SSI disability payments. As its name implies, Supplemental Security Income

"supplements" your income up to various levels—depending on where you live.

The federal government pays a basic rate and some states add money to that amount. Check with your local Social Security office for the SSI rates in your state. Generally, people who get SSI also qualify for Medicaid, food stamps and other assistance.

SSI benefits are *not* paid from Social Security trust funds and are *not* based on past earnings. Instead, SSI benefits are financed by general tax revenues and assure a minimum monthly income for elderly and disabled persons.

## When And How To File For Social Security Or SSI

You should file for Social Security or SSI disability benefits when you become too disabled to work and for survivors benefits when a family breadwinner dies. When you're thinking about retirement, you should talk to a Social Security representative in the year before the year you plan to retire. It may be to your advantage to start your retirement benefits before you actually stop working.

To file for benefits, get information or speak to a Social Security representative, call our toll-free number—**1-800-772-1213**. You also can use that number to set up an appointment to visit your local Social Security office. Our lines are busiest early in the week and early in the month, so, if your business can wait, it's best to call at other times.

When you file for benefits, you need to submit documents that show you're eligible, such as a birth certificate for each family member applying for benefits, a marriage certificate if your spouse is applying and your most recent W-2 form (or tax return if you're self-employed).

The Social Security Administration treats all calls confidentially—whether they're made to our toll-free numbers, or to one of our local offices. We also want to ensure that you receive accurate and courteous service. That is why we have a second Social Security representative monitor some incoming and outgoing telephone calls.

### **Social Security Administration**

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